

New law allows the State Board of Commerce and Industry to enter into contracts for certain tax incentives with businesses provided the following requirements are met:

- (1) The request for such tax rebate is accompanied by an endorsement resolution approved by the appropriate local governing body. If there is no resolution, the board may take unilateral action to approve or deny the application. If no local taxes are being rebated, no endorsement resolution is required.
- (2) The business is or shall be located outside the boundaries of any enterprise zone or economic development zone.
- (3) The business certifies that at least 35% of its employees meet one of the following requirements:
 - (a) Are residents of an enterprise zone in the same parish as the business.
 - (b) Are residents of an enterprise zone in a contiguous parish if the business has 500 or more employees.
 - (c) Were receiving some form of public assistance prior to employment.
 - (d) Were considered unemployable by traditional standards.
 - (e) Any combination of the above. Such certification shall be updated annually.
- (4) The business makes its request either prior to beginning construction of its buildings or prior to installation of the machinery or equipment to be used by the business. The board may consider a late request but the business has the burden to establish good cause.
- (5) The business creates a minimum of the lesser of five net new permanent jobs in the first two years of the contract period, or the number of new jobs equals a minimum of 10% of the existing employees, minimum of one, within the first year of the contract period.

New law provides that any person or entity who violates the provisions of the new law shall rebate the tax credit.

Effective August 15, 1999.

(Adds R.S. 51:1787(H) and (I))